

MEMORANDUM FOR: Executive Director

2 APR 1963

THROUGH : Deputy Director (Support) /s/ RKN *reper*

SUBJECT : Involuntary Separation Allowance

REFERENCE : Memorandum for Deputy Director (Support) from Executive Director, dated 5 March 1963, same subject

1. In response to your request, we have drafted the following proposal for an Involuntary Separation Allowance.

a. Policy

In recognition of the special conditions and circumstances of employment with the Agency and the complications of cover and security which may handicap a former employee of the Agency in his efforts to obtain other employment commensurate with his qualifications, the Director of Central Intelligence may authorize an Involuntary Separation Allowance for any career employee whose employment is involuntarily terminated after five or more years of civilian service with the Agency. This allowance shall not be authorized when the termination is for reasons involving the individual's loyalty to the United States or for other reasons, such as gross misconduct, which in the judgment of the Director militate against such payment.

b. Computation of Involuntary Separation Allowance

This allowance shall be based on the employee's rate of basic compensation at the time of separation and shall be computed on the basis of one month's salary for each year of Agency service but shall not exceed twelve months' salary. The allowance shall be reduced by the amount of any lump-sum leave payment received by the individual upon separation and by the amount of any civil service retirement annuity to which he is entitled during the twelve months following separation.

c. Schedule of Payments

Ordinarily, the Involuntary Separation Allowance will be paid in a single payment immediately following separation. However, at the request of the employee, the allowance may be paid in two installments: (1) the first installment, paid immediately following separation, shall be the equivalent of the basic compensation which the individual would have received had his employment continued during the entire calendar year in which he was separated but shall not exceed the maximum allowance authorized for him; (2) the second installment, payable as soon as practicable following the beginning of the succeeding calendar year, shall represent the balance of the allowance authorized for him.

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Reductions for lump-sum leave or for a civil service annuity shall be pro-rated over the period covered by each of the installments.

2. We are attaching a brief report covering a current survey of the separation compensation benefits now available to Federal personnel, both civilian and military. The proposal outlined above contains, we believe, the most liberal features of the civilian systems. It is difficult to make a comparison with the military systems since certain limitations and exclusions are anticipated for various types of separations. Also, the apparently more generous formula (two months' pay per year of service) is based on basic pay excluding allowances and is subject to an overall limitation of \$15,000.

3. We have discussed the subject of separation compensation benefits with the General Counsel, the Legislative Counsel, and various senior officials of the Agency on many occasions. The details of the proposal made above have not been presented to these officials in this form but we think it is fair to say that they are representative of various suggestions which have been made. If this proposal meets your objectives in principle, we shall be glad to undertake more formal coordination through the Personnel Advisory Board.

/s/ Emmett D. Echols

Emmett D. Echols
Director of Personnel

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<div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 10px;"></div> <p>There are two important differences here from what we now have: (1) This would include <u>all</u> employees and (2) No reduction in compensation because of outside earnings.</p> <p style="text-align: right;">/s/ LKW</p> <p style="text-align: center;">C O P Y</p>			
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